§ 1773.10 Access to audit-related documents.

Pursuant to the terms of the audit agreement, the CPA must make all audit-related documents, including auditors’ reports, workpapers, and management letters available to RUS, or its designated representative, upon request and must permit RUS, or its designated representative, to photocopy all audit-related documents.

§ 1773.11 CPA’s submission of the auditor’s report, report on compliance, report on compliance and on internal control over financial reporting, and management letter.


§ 1773.20 Time limit. As soon as possible after completion of the audit, but within 90 days of the as of audit date, the CPA should deliver the auditor’s report, report on compliance and on internal control over financial reporting, and management letter to the president of the borrower’s board of directors. As a minimum, copies should be provided for each member of the board of directors and the manager. Further, three copies must be provided to the borrower for transmittal to RUS.

(b) Communication with the board of directors. In addition to providing sufficient copies of the auditor’s report, report on compliance and on internal control over financial reporting, and management letter for each member of the borrower’s board of directors, RUS requires that the CPA report all audit findings to the borrower’s board of directors. RUS recommends that audit findings be communicated orally; however, the communication may be oral or written, at the borrower’s discretion. If the information is communicated orally, the CPA must document the communication by appropriate memoranda or notations in the workpapers. If the CPA communicates in writing, a copy of the written communication must be included in the CPA’s audit workpapers or permanent file.

(c) Matters to be communicated. Matters communicated to the board of directors must include, but are not limited to the matters to be communicated to the audit committee as prescribed in SAS No. 61, entitled “Communication with Audit Committee.”
§ 1773.30 General.

(a) The CPA must prepare the following (examples of which are set forth in RUS Bulletin 1773–1):

(1) An auditor's report;

(2) A report on compliance and on internal control over financial reporting; and

(3) A management letter.

(b) The borrower must furnish RUS with three copies of the auditor's report, report on compliance and on internal control over financial reporting, and management letter within 120 days of the as of audit date. Any provision in RUS’s security instrument that requires such documents to be furnished to RUS in a shorter period of time may be disregarded.

(c) The borrower must furnish RUS with three copies of its plan for corrective action, if any, within 180 days of the as of audit date.

(d) The borrower must furnish RUS, within 120 days of the as of audit date, with a copy of each special report, summary of recommendations or similar communications, if any, received from the CPA as a result of the audit.

(e) All required submissions to RUS described in paragraphs (a) through (d) of this section should be sent to: Assistant Administrator, Program Accounting and Regulatory Analysis, Stop 1523, 1400 Independence Ave., SW, Washington, DC 20250–1523.

§§ 1773.22–1773.29 [Reserved]